

# EXHIBIT 5



# Confidential Information Memorandum

May 2020

CONFIDENTIAL

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## I. Executive Summary

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# Company Snapshot

**Pro-Mark Services, Inc.** (“Pro-Mark” or the “Company”) is a \$40mm, General Contractor and Construction company with 34 employees providing a broad range of services, typically via selected sub-contractors. Primary clients are Federal Government entities in the Military/DoD and Federal Agency sectors in the Upper Midwest. Services include (1) Design-Build, (2) Construction/Construction Management, and (3) Building Maintenance services.

Headquartered in Fargo, ND, with satellite offices in Minot, ND, Grand Forks, ND, Rapid City, SD, and Omaha, NE, to service the needs of their major clients, the Company is registered/licensed in six states to execute complex, safety-stringent projects for its targeted customers.



## 1 Design-Build

Typically utilized on less complex projects where Pro-Mark can select experienced specialty contractors who have design and engineering capabilities that allow them to execute relatively straightforward projects in a timely and efficient manner.

## 2 Construction/Construction Mgmt

Pro-Mark Services provides Construction Management and General Contracting services on typically larger projects and contracts by utilizing a broad group of experienced and reliable sub-contractors.

## 3 Building Maintenance

Pro-Mark Services performs basic building maintenance and minor repairs and renovations on a daily basis for their clients. These projects are usually executed under open order IDIQ contracts or Task Orders.

# Company Snapshot

## Strong Financial Characteristics

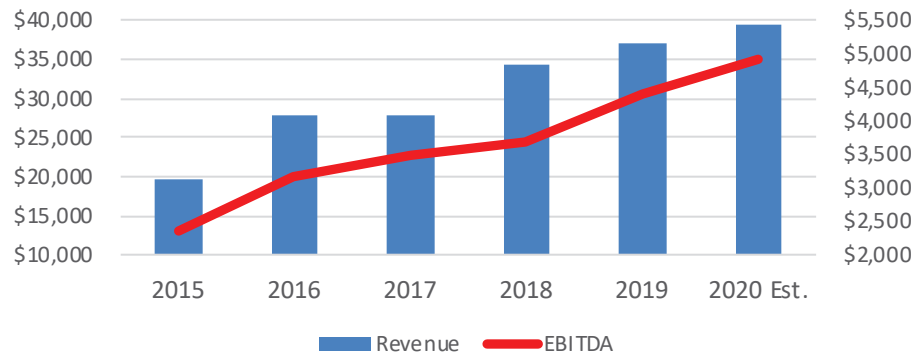
2020 Est. EBITDA	<b>\$4.9 million EBITDA</b> , representing a 12.4% margin on \$39.5mm of Revenue
Strong Backlog	Backlog of \$24.3 million at March 31; does not capture several <b>significant</b> new wins
Minimal CapEx & Attractive Working Capital Dynamics	Historical and projected CapEx are minimal, with little required equipment needs; most A/R are on Net 15-day terms
Visible Demand Drivers	Established and ongoing Federal funding for all major clients; Long-term (most 5-year IDIQs) contracts provide clarity and support to future cash flows
Quality Reporting	Reviewed Financials One minor EBITDA adjustment

## Desirable Business Characteristics

Significant Barriers to Entry	Becoming qualified and certified to bid on Federal contracts is not an easy task; Managing the Federal contract bidding process can be intensive and complicated
Recurring & Recession-Proof Revenue Streams	The maintenance and repair, as well as new construction projects, on critical military bases are not tied to economic cycles.
Lean & Efficient Operations	A lean workforce of 34 employees and centrally located headquarters allows Pro-Mark to be nimble, flexible and responsive to customer needs.
Asset-Light Business Model	As a General Contractor, Pro-Mark is focused on evaluating, selecting and managing sub-contractors; their business is not reliant upon maintaining a large fleet of capital equipment and therefore does not require significant annual CapEx
Broad Contracting Capabilities	Pro-Mark, with a wide range of high-quality subs, is able to pursue and win a wide variety of contracts across a full spectrum of contracting specialties, rather than being tied to a single service specialty.
Key Business Relationships in Federal/DoD and Agency arena	The Company has established itself as a qualified and reputable Contractor in the broad Federal contracting space. This reputation has allowed them to expand to new markets and win new clients outside of their core historical focus on DoD work

## Revenue and Adj. EBITDA <sup>(1)</sup>

(\$'s in 000's)



<sup>(1)</sup> Includes a \$100k addback each year for excess owner's comp

# Transaction Overview

After much consideration of succession planning options, the owners have decided that a sale of the business to an ESOP is the best solution for a gradual leadership turnover that will provide the business with financial flexibility and allow the employees to participate in the on-going future success of the business.

Transaction Type	100% Sale to ESOP
Anticipated Closing Date	7/31/2020
Entity Type (S-Corporation)	Company is currently an S-Corporation and will reorganize its legal entity structure prior to the closing of ESOP transaction to have an eligible C-Corporation own and sell the Company's shares, allowing the selling shareholders to be eligible to elect Section 1042 tax deferral treatment.
Current Ownership	100% -- Mrs. Connie Berg, Owner and sole shareholder
2019 Contribution	Pro-Mark adopted an ESOP Plan <b>effective 1/1/2019</b> . Prior to the 2019 tax reporting due date, including extensions, the Company will make an ESOP contribution for period 1/1/2019 to 12/31/2019, as well as an ESOP contribution for the period 1/1/2020 to closing.
Financing	Combination of Bank Term Loan and Seller Note.
Real Estate	Pro-Mark does not own any real property. Pro-Mark leases its office headquarters and satellite locations from several related party entities. Pro-Mark will continue to lease all the offices and warehouse facilities at market rates from these related entities, post-closing of the ESOP transaction, pursuant to existing leases.
Bonding	Historically, a significant portion of Pro-Mark's work has required bonding for projects. In consideration of this historical precedent, Pro-Mark will maintain their current bonding coverage of \$15mm for any one project and \$60mm total exposure. Additionally, to support their bonding, the Company will retain \$1.0mm of cash as part of the ESOP transaction.



## II. Company Information

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# Definitions

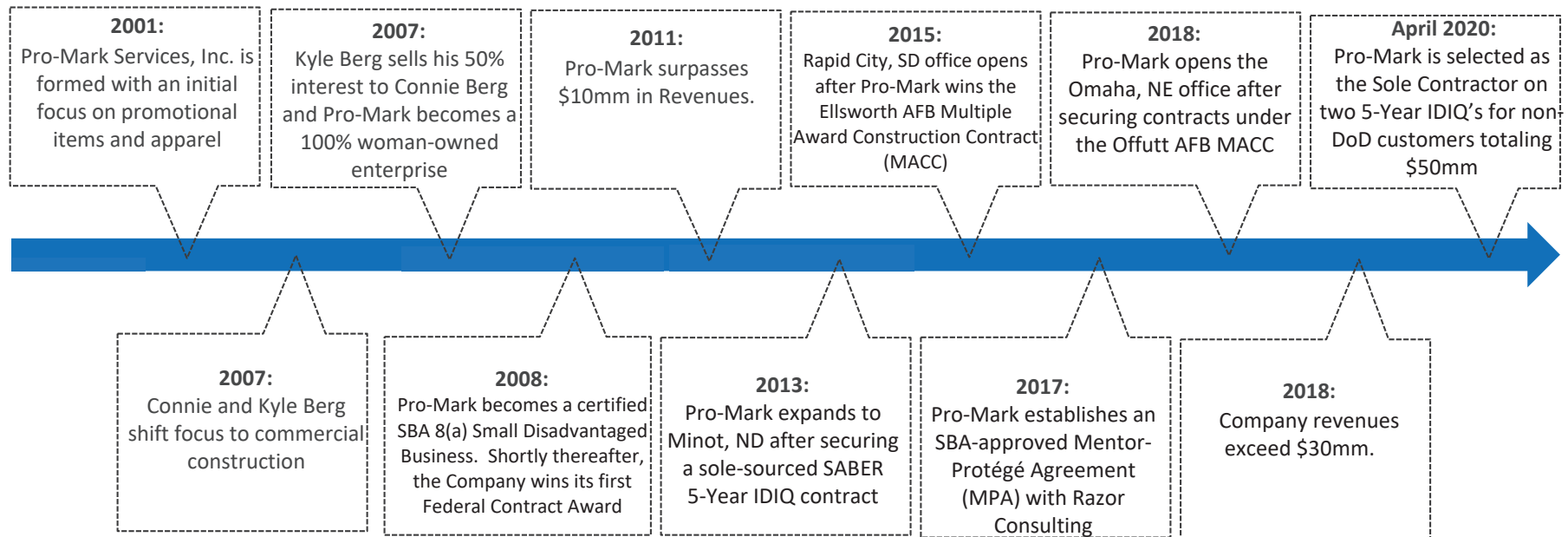
Federal Government Contracting and the Military are rife with acronyms used as short-hand in describing various items. The brief table below may be useful in deciphering some of the acronyms that you will see in this presentation.

Acronym	Description
IDIQ	Indefinite Delivery/Indefinite Quantity (IDIQ) is a type of contract that provides for an indefinite quantity of supplies or services during a fixed period of time. IDIQ contracts are most often used for service contracts and Architect-Engineering services. Awards are usually for base years as well as option years. The government places delivery orders or task orders against a basic contract for individual requirements. Minimum and maximum quantity limits are specified in the basic contract as either number of units or as dollar values. The government uses an IDIQ contract when it cannot predetermine, above a specified minimum, the precise quantities of supplies or services that it will require during the contract period. An IDIQ contract allows for a certain amount of contract process streamlining, as negotiations can be made only with the selected company, and such contracts are exempt from protest.
MACC	Multiple Award Construction Contract (MACC) where the Contractor furnishes all layout, survey, plant, labor, supervision, quality control, materials, equipment, machines, tools, appliances, services, supplies, and incidentals required for performing all operations in connection with each task order awarded under the MACC. Each individual task order will need to be completed in accordance with the plans, specifications, and drawings assigned to each task order.
MATOC	Multiple Award Task Order Contract (MATOC) is an IDIQ contracting program that supplements the Air Force Civil Engineer's (CE) in-house capability to perform minor construction, facility repair, and maintenance projects on an as-needed basis for Real Property/Real Property Installed Equipment. A MATOC is primarily concerned with repair/maintenance projects typically ranging from \$2,000 to \$4,900,000.
SABER	Simplified Acquisition of Base Engineering Requirements (SABER) is an IDIQ contract used to accomplish a broad range of construction, sustainment restoration and modernization projects on real property that are of a suitable size and complexity to allow for quick design execution and construction. Work may include maintenance, repair, alteration, renovation, and new construction. A SABER contract's primary goal is to expedite contract award by reducing design work and acquisition lead time. Prompt response and execution of all task orders is required.

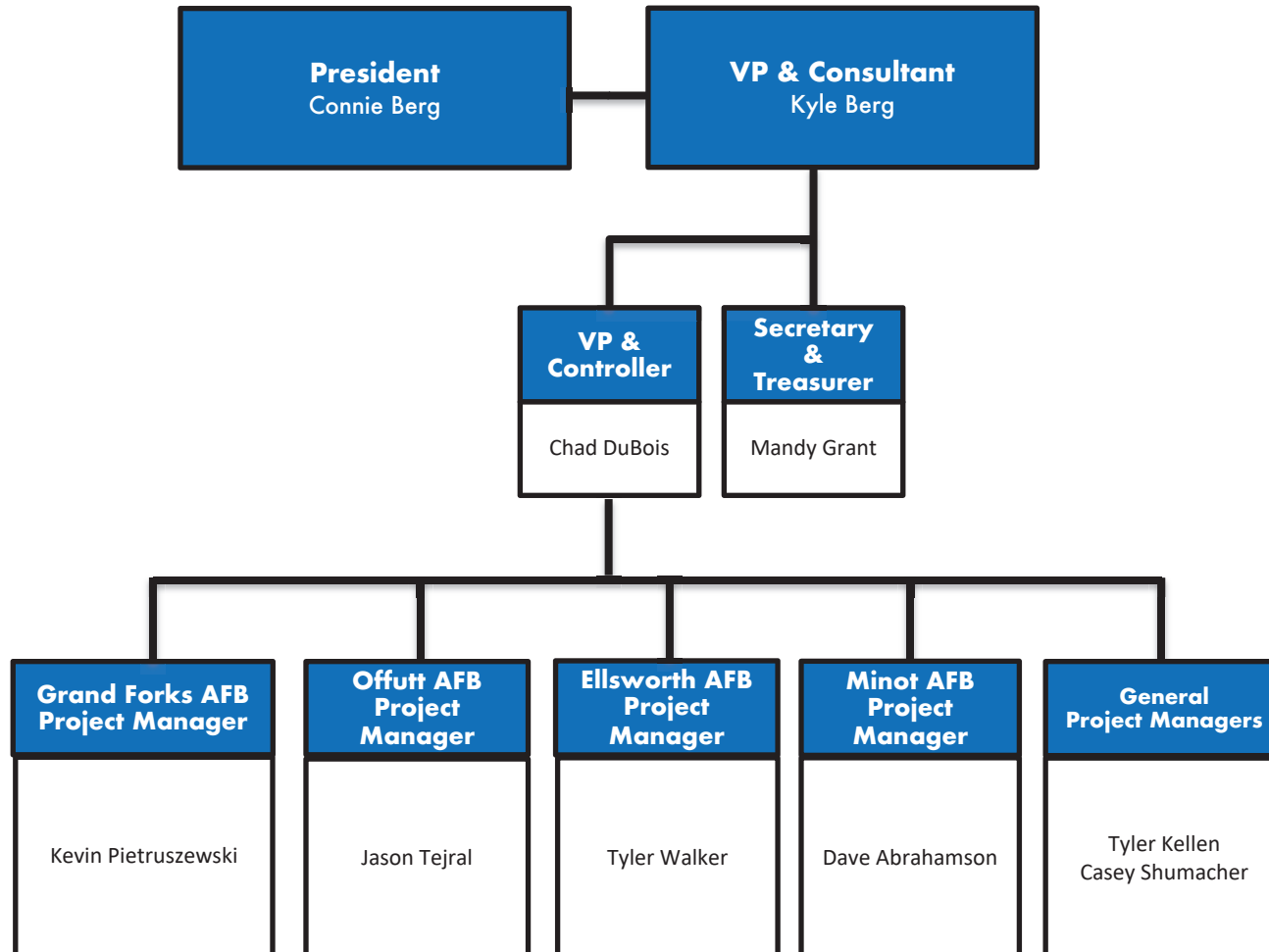
# Historical Milestones

**Pro-Mark Services was founded in 2001 by husband and wife team, Connie Berg and Kyle Berg**

- The Company initially focused on retail apparel and promotional items
- In a dramatic “pivot” in 2007, Connie and Kyle Berg had the foresight and courage to utilize Kyle’s background and experience in construction and contracting and shifted Pro-Mark’s focus to competing for federal construction projects
- Pro-Mark quickly positioned themselves as a leading federal contracting company in North Dakota and was able to secure sole source contracts with the Department of Defense, General Service Administration, and United States Department of Agriculture.
  - **Corporate Longevity** – Company has been in business for over **18 years**.
  - **Proven Leadership** - Management Team has over **150 years** of combined experience in general construction, with a proven ability to profitably grow the business and maintain margins throughout economic and policy cycles
  - **Operational Diversity** – Continued expansion into complimentary business sectors through mentor protégé agreements (MPA) and joint venture agreements, allow the company to continue to diversify its offerings and expand its geographical footprint. . Pro-Mark is a highly regarded federal contractor and creates opportunities through SBA approved MPAs for the direct award of projects and surpassing laborious qualification applications.
  - **Safety and Quality Competitive Advantage** – In the last 10 years, Pro-Mark’s EMR (Experience Modification Rating) has **never exceeded 1.0 and is typically sub zero** (e.g. -18.3% rating in 2018).



# Leadership Org Chart



# Leadership Bio's

## Connie Berg, 48 – Owner and sole shareholder

Connie Berg, along with her husband Kyle, founded Pro-Mark Services, Inc. in 2001, initially focused on promotional items and apparel, operated almost exclusively by Connie. In 2007, Kyle joined full-time and they shifted their focus to commercial contracting. Today, Connie serves as President and 100% owner of Pro-Mark. In the early years, being a WBE (Women's Business Enterprise) business was important in securing contracts; in 2019 the firm estimated that less than 5% of their revenue was due to its WBE designation. Historically, Connie's role at the Company has been de minimis, and post-closing of the ESOP transaction, Connie will not be involved with the Company.

## Kyle Berg, 49 – Vice President and Consultant

Kyle serves as a VP for Pro-Mark but is not an employee of the Company and does not earn a salary. Rather, Kyle is paid under a long-term contract as a Consultant from Fed Serv, LLC, a consulting company where Kyle is the sole owner and employee. At Pro-Mark, Kyle is involved with all significant operating decisions and represents the Company in major negotiations and large bids, but he is mentoring and grooming the management team to take on more and more responsibilities over time, with the goal of Kyle stepping out of day-to-day operations over the coming years.

## Chad DuBois, 49 – Vice President and Controller

Responsible for delivering professional services that fuel growth across the organization. Position involves aligning production to Pro-Mark's strategy, implementing production practices to maximize payroll leverage, providing tangible value to clients, and developing technical talent to meet the demands of the changing industries the company serves.

## Pro-Mark Services, Inc. Leadership Team

Name	Title	Age	Years with Pro-Mark	Years in Industry
Connie Berg	President	48	19	19
Kyle Berg	VP & Consultant	49	13	25
Chad DuBois	VP & Controller	49	2	25
Mandy Grant	Secty. & Treas.	41	10	12
Jason Tejral	Offutt AFB PM	40	3	19
Tyler Walker	Ellsworth AFB PM	41	2	18
Dave Abrahamson	Minot AFB PM	44	12	18
Kevin Pietruszewski	Grand Forks AFB PM	35	8	14
Tyler Kellen	Project Manager	27	6	6
Casey Schumacher	Asst. PM	22	1	2
		<b>Total</b>	<b>76</b>	<b>158</b>
		<b>Average</b>	<b>39.6</b>	<b>15.8</b>

## Key Management Characteristics

- Highly capable, experienced and motivated management team
- 15+ years average industry experience
- Diversified construction experience and backgrounds
- Strong leadership with succession framework
- Focused on working effectively and efficiently in a lean organization
- Teammates eager to grow and take on more responsibility

# Leadership Bio's

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## **Mandy Grant, 41 – Secretary/Treasurer and Office Manager**

Mandy has been with Pro-Mark for 10 years and coordinates the planning, development and completion of projects to ensure client satisfaction. Mandy works closely with Project Managers in understanding and delivering on client needs and expectations. She manages the staff work schedule, supports new-employee orientation, and focuses on load-balancing workflow to keep Pro-Mark as efficient as possible. Mandy also serves as the de-facto HR manager, managing staff performance and dealing with any issues or problems, and tracking employee time off requests.

## **Jason Tejral, 40 – Offutt AFB PM**

Multiple years of overseeing all phases of construction projects at various dollar values for both federal & private sector clients totaling 19 years. Project Manager for multiple projects at Offutt Air Force Base. Jason joined Pro-Mark Services in 2017.

## **Tyler Walker, 41 – Ellsworth AFB PM**

Construction and Architectural Project Manager with 18 years of experience in both private and public sectors. Experienced with all aspects of local, state, and regional agencies. Project Manager for multiple projects at Ellsworth Air Force Base. Tyler joined Pro-Mark Services in July of 2018.

## **Dave Abrahamson, 44 – Minot AFB PM**

Construction manager with a 12-year record of success overseeing all phases of multimillion-dollar construction projects for government and private-sector clients and a total of 18 years of experience in the construction industry. Project manager for IDIQ task order contract (SABER) for a broad range of maintenance repair and new construction work at the Minot Air Force Base. These projects require all trades and vary in size and complexity including renovations and new construction. A number of these projects included design/build.

## **Kevin Pietruszewski, 35 – Grand Forks AFB PM**

Project Manager for Pro-Mark Services for over 8 years. Estimating, scheduling, project meetings, coordinating projects, coordination with subcontractor and vendors, project closeout, project superintendent, value engineering, budgeting, solicit subcontractors, coordinating vendors and material for all different types of construction projects.

# Leadership Bio's

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## **Tyler Kellen, 27 - PM**

Manages Superintendents on multiple construction projects while conducting meetings with subcontractors and the Government to ensure jobs meet deadlines & budget. Estimating and negotiating proposals for task orders ranging in magnitudes up to \$15 Million showing efficiency in a wide range of projects from small single trade focused tasks, to large widespread projects covering numerous trades. Tyler has been with Pro-Mark Services since 2014.


## **Casey Schumacher, 22 – PM**

Assistant Project Manager with shared lead responsibility on commercial construction projects ranging from \$400,000 to \$3,500,000. Works directly with Sr. Project Manager and is accountable for tasks that include the full project scope from bidding to successful completion: scheduling, estimating, safety, contractor coordination, proactive owner communication, and closeout documents.

# Business Description


## Design-Build

### General Description

- 
- Typically utilized on less complex projects where Pro-Mark engages experienced specialty contractors with the ability to design and execute relatively straightforward projects
  - Shortens the project timeline
  - Helps to reduce costs
  - Focus on:
    - General Construction
    - Electrical, Plumbing or Mechanical
    - Civil Construction Projects
  - Avg. project size of \$500k- \$1mm
  - Avg. project gross margin 20 - 25%


## Construction & Const. Mgmt.

### General Description

- 
- Typically providing General Contracting and Construction Management Oversight of sub-contractors on a variety of larger projects
  - Focus on:
    - General Construction
    - Electrical, Plumbing or Mechanical
    - Civil Construction Projects
  - Average project size of \$200k - \$2mm
  - Avg project gross margin 10-20%

## Building Maintenance

### General Description

- 
- Providing basic maintenance and repair services as needed or required on-site at client facilities under open-ended IDIQ contracts
  - Focus on:
    - Building repairs due to damage, use or age
    - Typically lower cost, short duration and frequent
    - Examples include door, wall or roof repairs or replacement
  - Average project size of \$100 - \$500k
  - Average project gross margin 10 - 20%

## Business Development

- The Company focuses on identifying and then qualifying project opportunities for bid in their targeted Federal markets where their capabilities and experience can position Pro-Mark to win. Once qualified, Pro-Mark will prepare bid opportunity reports which can be utilized by Senior Management to prioritize projects and develop initial pricing/margin targets on any given opportunity. They then create a client "pursuit plan" to illustrate strategic steps to formulate well informed decisions on bid opportunities.
- Identify industry conferences, trade associations and networking groups to develop new business. Develop marketing collateral such as corporate brochures, capabilities statements, website and social media.
- Facilitate Client meetings with prospective customers and strategic partners to pursue viable project opportunities. Preparation of presentations and other materials appropriate for such meetings. Develop teaming/JV or subcontractor agreements, as necessary.



# Geographic Markets

Headquartered in West Fargo, ND with satellite offices in Minot, ND; Grand Forks, ND; Rapid City, SD; and Bellevue, NE, the Company is currently registered/licensed in 6 states to execute complex, safety stringent, projects for its targeted customers primarily in the Federal, Federal Agency and DoD sectors.

Target markets have, among other factors, the following key characteristics:

Geographic Proximity to Headquarters or Key Partners	Economies of Scale in both Size and Scope of Projects	Ability to Win Profitable Projects Based on Knowledge and Experience in the Space
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The Company’s geographic strategy facilitates:

Cross Sale Opportunities	Providing a full suite of Services	Selective Expansion
Solid performance on G.C. projects can be parlayed into ongoing maintenance and other engagements	Company is fully capable of managing and executing, via sub-contracting relationships on almost any service or construction project	Gradual entrance into other regions due to clients’ needs and Pro-Mark’s outstanding reputation – New Yellowstone Housing Contract, MacDill AFB 7-Year IDIQ



Current States Pro-Mark is Registered/Licensed		
North Dakota	South Dakota	Montana
Wyoming	Nebraska	Arizona

## Revenue Mix

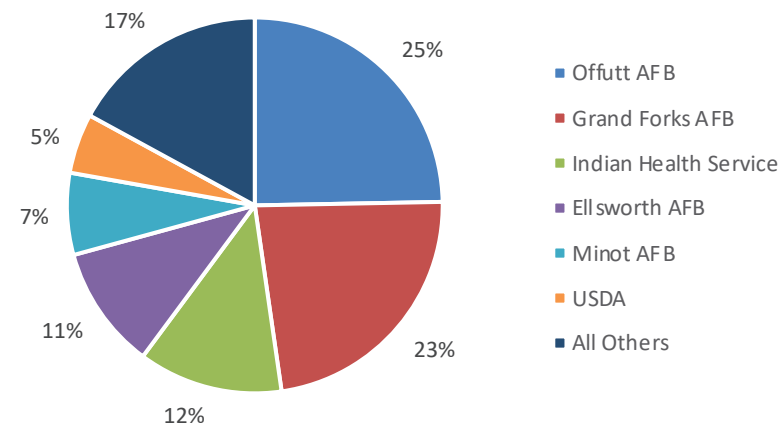
Pro-Mark Services 5-Year Revenue Summary										
\$'s in 000s										
Client	2019		2018		2017		2016		2015	
	\$'s	%	\$'s	%	\$'s	%	\$'s	%	\$'s	%
1. Offutt AFB	\$ 15,215	41%	\$ 9,273	27%	\$ 555	2%	\$ -	0%	\$ -	0%
2. Grand Forks AFB	\$ 6,309	17%	\$ 7,212	21%	\$ 9,992	36%	\$ 9,748	35%	\$ 5,304	27%
3. Indian Health Service	\$ 4,824	13%	\$ 5,152	15%	\$ 3,886	14%	\$ 3,899	14%	\$ 3,143	16%
4. Ellsworth AFB	\$ 4,082	11%	\$ 3,091	9%	\$ 3,886	14%	\$ 2,228	8%	\$ 982	5%
5. Minot AFB	\$ 3,711	10%	\$ 3,091	9%	\$ 555	2%	\$ 1,671	6%	\$ 2,554	13%
6. USDA	-	-	-	-	\$ 3,608	13%	\$ 1,114	4%	\$ 1,375	7%
7. GSA	-	-	-	-	-	-	\$ 1,671	6%	-	0%
8. VA	-	-	-	-	-	-	-	-	\$ 2,161	11%
	<u>\$ 34,140</u>	<u>92%</u>	<u>\$ 27,819</u>	<u>81%</u>	<u>\$ 22,482</u>	<u>81%</u>	<u>\$ 20,331</u>	<u>73%</u>	<u>\$ 15,519</u>	<u>79%</u>
<b>Total Revenue</b>	<b>\$ 37,109</b>		<b>\$ 34,345</b>		<b>\$ 27,756</b>		<b>\$ 27,851</b>		<b>\$ 19,644</b>	

Given the nature of Federal/DoD contracting, the Company can have concentration with various clients and client locations in any given year based on winning large contracts, but this concentration is typically spread across a number of separate long-term Task Orders under the IDIQ contracts.

### New Contracts – won in April or May; not captured on Backlog

- National Park Service (Yellowstone): **Sole Contractor** on a 5-year IDIQ contract with a **ceiling of \$40mm**
- GSA Region 8 – North Dakota Only: **Sole Contractor** on a 5-year IDIQ with a **ceiling of \$10mm**
- GSA Region 6 – Nebraska Only: Multiple Contractors
- Indian Health Service – Nationwide: Multiple Contractors on a 5-year IDIQ with a **\$15mm ceiling** (no Task Orders issued yet)
- Indian Health Service – Portland/Billings: Multiple Contractors on a 5-year IDIQ with a **\$15mm ceiling**; (2 Task Orders awarded)
- MacDill AFB – Tampa: Multiple Contractors on a 7-year IDIQ with a **\$500mm ceiling**

### Pro-Mark Services 3-Year Revenue Summary by Customer 2017 - 2019



# Clients

**Long-Term Relationships with Federal Government Clients:** Pro-Mark benefits from long-term relationships with a variety of Federal Agencies and DOD clients, including several Air Force Bases in the Upper Midwest, The Indian Health Service (an Agency within the US Dept. of Health & Human Services), and The US Department of Agriculture. These relationships average 5+ years and have resulted in a vast array of construction projects performed by Pro-Mark and its qualified sub-contractors.

**Substantial Client Integration & Communication:** There is a strong relationship component to a contractor's ability to repeatedly win bids in Pro-Mark's client base of Federal and DOD clients. At Pro-Mark, relationships are managed at multiple levels, from senior-level attention by Kyle Berg and Chad DuBois, to the individual Project Managers and job-site Superintendents who typically live in the local community and who are generally focused on serving the specific needs of a single client at that specific location over multiple contracts. This ensures multiple touch-points and a deep and long-standing relationship with each of its clients.

These relationship building efforts have created strong partnerships with Pro-Mark's clients resulting in the Company procuring direct-award blanket contracts, project bid collaboration with general contractors, and trusted advisor status on safety and civil construction matters with clients' executive leadership teams.

**Recurring Revenue:** Three of the Company's top clients have been customers for six years, one client five years, and Pro-Mark's current top customer, Offutt AFB has been a client for over three years.

## Selected Other Current or Recent Federal Clients

GSA – Multiple Regions	National Park Service	US Postal Service
US Forest Service	US Customs & B.P.	US Dept. of Labor

Representative Client	Relationship
 <p>Offutt AFB – 55<sup>th</sup> Wing</p>	3+ Years
 <p>Grand Forks AFB - 319<sup>th</sup> Reconnaissance Wing</p>	6+ Years
 <p>An Agency within the Dept. of Health &amp; Human Services</p>	6+ Years
 <p>Ellsworth AFB - 28<sup>th</sup> Bomb Wing</p>	5+ Years
 <p>Minot AFB - 5<sup>th</sup> Bomb Wing &amp; 91<sup>st</sup> Missile Wing</p>	6+ Years

# Market Position & Competition

## ! Pro-Mark's Differentiation

**Reputation & Relationships with Customers:** Pro-Mark has maintained an outstanding reputation for delivering quality products in a timely manner that meet all contract specifications; this has resulted in strong relationships with their client base.

**Reputation and Relationships with Subs:** Pro-Mark has earned an enviable reputation as a preferred GC to its broad base of subcontractors by paying promptly and treating subs fairly.





**Focus on Quality & Safety:** Pro-Mark is an industry leader in project safety and quality, resulting in deep recurring relationships with its clients

**Complimentary Lines of Business:** Over the years, Pro-Mark has established a broad stable of reliable and high-quality sub-contractors that allows the Company to meet almost any contracting need of their client and target client base.

The typical general construction contractor marketplace is competitive, and also highly fragmented, with few companies capable of delivering all of the high-quality solutions demanded by Federal contracting guidelines and requirements.

As a lean General Contractor, with the deep experience and expertise in bidding on and delivering on a wide array of Federal contracts, Pro-Mark is uniquely positioned to be the first choice / preferred choice for their client base. The Company has been successful in utilizing their responsive and nimble culture to build their reputation as the "Go-To" solution for challenging or short lead-time projects. It also positions Pro-Mark to be a lead or sole bidder on a wide range of projects.

Pro-Mark has been able to build an outstanding reputation with its client base by carefully and intentionally cultivating a group of high-quality sub-contractors that share Pro-Mark's philosophy regarding safety, quality, reliability and responsiveness. In return, Pro-Mark treats its sub-contractors with dignity, respect, and timely payment. This very positive symbiotic relationship allows the collective group (Pro-Mark and its subs) to deliver high levels of service to their joint clients and win repeat business over time.

Regional Competitors	Location	Client / Location	Services
	Fargo, ND	Grand Forks AFB	Focuses on public and commercial projects
	Rapid City, SD	Ellsworth AFB	Construction contractor serving multiple sectors
	Omaha, NE Las Vegas HQ	Offutt AFB	Large, broad-based contractor
	Minot, ND	Minot AFB	Design-Build Construction contractor serving multiple sectors

# Employees and Employee Benefits

Pro-Mark invests in its greatest asset, the employees, by providing a competitive benefits package, as well as comprehensive training and development across all positions within the organization.

The Company's identification as one of the leaders in the market, along with its history of employee development and retention, provides historically low turnover and sustained bench strength among its 34<sup>1</sup> employees.

Function	Headcount	Hourly	Salaried
Corporate <sup>(2)</sup>	4	0	4
Project Managers	6	0	6
Superintendents	9	9	0
Foreman	1	1	0
Trades	14	14	0
Totals	34	24	10

1. Employee count as of 4/30/2020

2. Includes Kyle Berg, who is paid via a Consulting Contract through Fed Serv LLC

## Employment Benefits Include:

- 401K Plan, Company Matches 100% of the first 3% of employee contributions and 50% of the amount between 3% and 5%
- Discretionary Bonus – Determined by Ownership; Approx. \$80k in 2019
- Group Medical – Company covers 50% of the premium
- Dental & Vision: Company pays 100% for Family coverage
- Short-Term and Long-Term Disability Insurance available at employee's expense

## Training & Development Includes:

- Army Corps of Engineers CQM for Construction Training
- OSHA Compliance and Workplace Safety 30 Hour General Industry
- OSHA Compliance and Workplace Safety 10 Hour General Industry
- CPR Certification Training
- 1st Aid Training
- Microsoft Project scheduling software training
- E4 Clicks Estimating Software Training Classes and proficiency in the program with Multiple Awards resulting

# Safety

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“**Safety First**” is the priority at Pro-Mark. At every job, each Pro-Mark employee knows that they are expected to establish, manage and maintain a safe working environment. A safe work environment allows construction personnel to build in accordance with design specifications and deliver quality workmanship.

The Company maintains assigned Safety Professionals who lead meetings with all subs on each job and they are required to properly and adequately brief all contractors on safety rules, regulations and considerations applicable to every aspect of the job and job site.

While the direct responsibility for achieving Pro-Mark’s safety goals is held primarily by the Superintendent and/or Project Manager, safety starts with the senior leadership at Pro-Mark and receives full involvement of company management.

Additionally, it remains a priority for all key personnel and sub-contractors. Individual responsibilities are identified for field management and every field management employee on any Pro-Mark construction site may shut down a work operation that poses ‘imminent danger’ or if a situation arises which is immediately dangerous to life or health.

When such action has been taken, the PM is notified immediately and actions to remedy the situation are implemented. Managers and Supervisors from subcontractors are also required to ensure that employees placed under their direction are trained and informed of safe methods and conduct their responsibilities in a safe and professional manner.

## **Key Safety Program Elements**

Pro-Mark’s collective staff experience exceeds 500+ years, and each senior management member (Supervisor and above) attends:

- The 30-hour OSHA
- USACE Construction QC Management for Contractors
- Red Cross CPR/First Aid certification

## **Site Safety & Health Officer (SSHO)**

Most of Pro-Mark’s contracts call for participation by a SSHO from the client who works closely with Pro-Mark and all sub-contractors on safety issues and directs the approved Safety Plan on each job. The SSHO has the authority to shut down any job if OSHA Safety Standards are not met.

Additionally, the SSHO’s responsibilities include:

- Conduct Activity Hazard Analysis
- Conduct Safety Inspections
- Oversee Random Drug Testing
- Review sub-contractor Safety Plan
- Holding regular Safety Meetings
- Requiring Special Access or badging
- Development of site-specific HAZCOM plans and procedures
- Identification of potential safety concerns or conditions, including soils, asbestos, lead paint, etc.

# Insurance and Bonding

## Insurance

Pro-Mark maintains the indicated insurance coverage for the business with several different insurance companies. Their coverage is serviced through their local agency, Dawson Insurance, a Marsh & McLennan Agency company.

## Bonding

Essentially 100% of Pro-Mark's work is on some form of public project, which requires a bonding surety. Pro-Mark currently maintains bonding with Western Surety Company, a CNA Surety company, at a limit of \$15 million on any single project and a total of \$60 million in aggregate work.

Pro-Mark and Western Surety have a solid 5-year relationship; Western is aware of the proposed ESOP transaction and have provided general coverage and guideline requirements post-ESOP formation below:

Bonding Coverage and Requirements	
<b>Bonding Aggregate Surety Coverage</b>	\$60,000,000 Aggregate \$15,000,000 Single Project
<b>Anticipated Requirements</b>	Maintain: 1) \$1,000,000 working capital position 2) \$1,000,000 cash balance

## Current Insurance Coverage

Type	Amount
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 general aggregate Liberty Mutual Insurance Co.
Automobile	\$1,000,000 combined single limit per accident Ohio Security Insurance Co.
Umbrella Liability	\$4,000,000 each occurrence & aggregate Ohio Casualty Insurance Co.
Workers Comp	Coverage per State Statute Covered States: AZ, SD, TX, NE
Employers' Liability	\$1,000,000 Ohio Security Insurance Co.
Leased/Rented Equipment	\$200,000 Liberty Mutual Insurance Co.
Crime / Employee Theft	\$500,000 Federal Insurance Co.

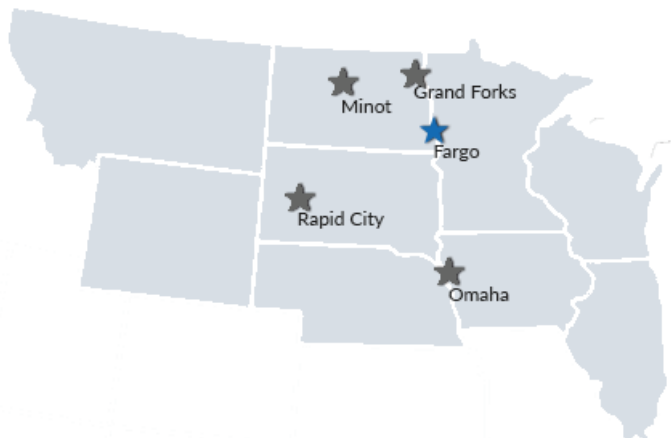


# Facilities

## Real Estate and Facilities

Pro-Mark does not own any real property and leases their main and regional offices from related parties. The rental relationship between Pro-Mark and its related-party landlords will continue post-closing of the ESOP Transaction pursuant to the existing leases. Property descriptions and base rent payments are provided in the chart below.

- Pro-Mark operates throughout the Upper Midwest and Northern Rockies from six locations in their project territory
- The Corporate headquarters and a related office and warehouse are located in West Fargo, with the satellite offices situated near significant customers at the respective Air Force Bases ("AFB")
  - Minot AFB – Minto, ND
  - Grand Forks AFB – Grand Forks, ND
  - Ellsworth AFB – Rapid City, SD
  - Offutt AFB – Omaha, NE
- All locations are leased from related parties



Pro-Mark Services, Inc. Real Estate Summary					
Facility/Location	Staff	Size	Annual Rent	Rent per S.F.	Lease Expiration
<b><u>Fargo Main Office</u></b> 2611 Sheyenne St. West Fargo, ND 58078	7	1,500 s.f.	\$ 30,000	\$ 20.00	10/1/23
<b><u>Fargo Warehouse</u></b> 2211 & 2229 Sheyenne St. West Fargo, ND 58078	-	5,800 s.f.	\$ 46,404	\$ 8.00	1/1/23
<b><u>Minot AFB</u></b> 300 46th Ave. NE, Unit C Minot, ND 58703	10	2,500 s.f.	\$ 30,000	\$ 12.00	1/1/24
<b><u>Ellsworth AFB</u></b> 4624 Creek Drive, Unit A Rapid City, SD 57703	3	5,037 s.f.	\$ 43,524	\$ 8.64	5/1/22
<b><u>Offutt AFB</u></b> 1501 JF Kennedy Dr. Bellevue, NE 68005	4	3,472 s.f.	\$ 34,728	\$ 10.00	2/1/23
<b><u>Grand Forks AFB</u></b> 101 South 5th St. Emerado, ND 58228	10	3,600 s.f.	\$ 17,304	\$ 4.81	1/1/25

### **Note:**

- \* All facilities leased from related entities
- \* All leases are considered to be at FMV based on relevant local comps
- \* All leases contains One, Two-year option period beyond the stated expiration date above



## Equipment Summary and Capital Expenditures

Most of Pro-Mark's work is functioning as a General Contractor, overseeing the work of their sub-contractors on any given project, while self-performing some work. As a result, their business is not asset intensive and does not require significant capital expenditures on machinery or equipment

- Over the last 5-years ('15 – '19), a period of strong top line growth (13.5% CAGR), CapEx has averaged just under 1% of Sales (0.9%)
- With ~125 individual capitalized assets and net PPE at December 31, 2019 of just \$800k, equipment is not a critical part of Pro-Mark's operations
- A significant portion of CapEx each year is for new vehicles for their senior management staff and Project Managers who use them daily as part of their jobs
- Other than new vehicle purchases, the only CapEx expected in 2020 is a total of \$40k, split evenly between construction and office equipment.

Pro-Mark Services Forecasted Capital Expenditures						
\$'s in 000's						
Description	Year	2020	2021	2022	2023	2024
Vehicle - New P.M. Fargo	2020	40				
Vehicle - New P.M. Yellowstone	2020	40				
Vehicle - President	2020	80				
Vehicle - Vice President	2020	50				
Vehicle - South Dakota - Eddie	2020	50				
Construction Equipment	2020	20				
New Office Equipment	2020	20				
Vehicles - Upgrade	2021		100			
Construction Equipment	2021		150			
Vehicles - Upgrade	2022			150		
Construction Equipment	2022			100		
Vehicles - Upgrade	2023				150	
Construction Equipment	2023				100	
Vehicles - Upgrade	2024					100
Construction Equipment	2024					150
<b>Total</b>	<b>\$</b>	<b>300</b>	<b>\$ 250</b>	<b>\$ 250</b>	<b>\$ 250</b>	<b>\$ 250</b>

Pro-Mark Historical and Projected Capital Expenditure Analysis											
\$'s in 000s	Actual					Est	Projection				
	2015	2016	2017	2018	2019		2020	2021	2022	2023	2024
<b>Capital Expenditures</b>	\$ 167	\$ 412	\$ 143	\$ 356	\$ 153	\$ 300	\$ 250	\$ 250	\$ 250	\$ 250	\$ 250
			<b>5-year Average</b>		\$ 246						
			<b>3-year Average</b>		\$ 217						
<b>CapEx as a % of Revenue</b>	0.85%	1.48%	0.52%	1.04%	0.41%	0.76%	0.62%	0.61%	0.60%	0.58%	0.57%
			<b>5-year Average</b>		0.86%						
			<b>3-year Average</b>		0.65%						

# SWOT Analysis

- Over the last 18+ years, Pro-Mark has built a reputation for outstanding quality and on-time delivery on their projects. As a result, they are sought-after bidders on high-margin critical projects
- Pro-Mark has become adept and proficient in evaluating and complying with Federal and DoD bidding requirements and expectations which allows them to pursue and win projects they expect to yield attractive margins.
- The ability to provide on-site Project Managers and Supervisors who are from and still live in the local markets is an important strength
- Virtually all of Pro-Mark's Accounts Receivables are ultimately due from the Federal Government with essentially no payment risk; additionally, contracts are not released until funding is approved and available.

## STRENGTHS

- Strong, positive reputation with the Contracting Officers at each base
- Deep knowledge and experience with Federal bidding and contracting requirements
- Utilizing local employees to manage each project
- Accounts Receivable are from the Federal Government with essentially no risk of non-payment

## OPPORTUNITIES

- Continued growth with existing clients and customers
- Pursue new clients/opportunities (like the IDIQ contract at Yellowstone) in the Federal sector, offsetting any concentration with the DoD
- Continued team development and enhancement

- Pro-Mark has been very strategic and prescriptive in targeting the Federal Government Sector, and specifically the DoD as clients. The Company is a proven provider and adept in evaluating and bidding on Federal contracts.
- The Company currently operations primarily in the Upper Midwest Region, and area that has not drawn significant attention or competition in comparison to other growth markets.
- Pro-Mark is well positioned to take advantage of this lack of significant competition in the region to grow and expand their business beyond DoD work. Examples include the recently awarded 5-year IDIQ contract with a Max Ceiling of \$40mm for project work in Yellowstone National Park and the GSA Region 8 \$10mm IDIQ contract for work in North Dakota. **Pro-Mark is the sole contractor on both of these IDIQs.**

- A large percentage of revenue earned by the Company is focused in the DoD sector in the Upper Midwest. Being a leader in this market is at the core of the Company's strategy. However, Pro-Mark's general contractor skills, combined with their relationship with quality sub-contractors allow them to service a large array of sectors within the Federal Government.
- Pro-Mark has established JV relationships with several 8(a) and SDVOSB businesses that allow them to collaboratively bid on projects without impacting Pro-Mark's top line, mitigating risks of outgrowing their Small Business designation.
- An ESOP can function as an attractive recruitment and retention tool in a tight labor market.
- New hires serve under existing and experienced Project Managers and supervisors and are brought along as they prove their abilities and competencies.

## WEAKNESSES

- Concentration within the DoD segment of the Federal sector
- Reliance upon Small Business Set Asides that they may outgrow.
- Competition for quality labor
- Inexperience of newly hired employees

## THREATS

- Adverse safety incident
- Increased Quality of Competition
- Potential changes in US political leadership leading to budgetary shifts away from DoD
- Loss of the WBE status as an ESOP
- Outgrowing the Small Business Designation

- A major adverse safety event at a project site could impair a company's safety metrics and preclude them from qualifying to bid or perform work. Pro-Mark maintains stellar safety metrics, with an Experience Rating below 1.0.
- While funding for the DoD may ebb and flow with different administrations, much of Pro-Mark's work is focused on basic maintenance and repair projects that serve as a baseline revenue generally not subject to significant swings.
- Pro-Mark realized less than 5% of revenues in 2019 due to their WBE status.
- Exceeding revenue limits for SBE status would preclude the Company from bidding on designated projects; If Pro-Mark starts to run into limits on top line growth, they then can become much more selective on project bidding and only pursue those projects offering exceptional margins. Also, size standards are adjusted upwards periodically.

### III. Financial Overview

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# Historical Income Statements

Pro-Mark Services						Internally-Prepared	
(\$'s in 000's)	Historical - Reviewed Statements					3-mos. Ending	
	2015	2016	2017	2018	2019	3/31/19	3/31/20
<b>Revenues</b>	<b>\$ 19,644</b>	<b>\$ 27,851</b>	<b>\$ 27,756</b>	<b>\$ 34,345</b>	<b>\$ 37,109</b>	<b>\$ 9,164</b>	<b>\$ 8,289</b>
Revenue Growth %		41.8%	-0.3%	23.7%	8.0%		
<b>Cost of Goods Sold</b>							
Total COGS	15,785	22,931	22,479	28,632	30,414	7,342	6,488
COGS %	80.4%	82.3%	81.0%	83.4%	82.0%	80.1%	78.3%
<b>Gross Profit</b>	<b>\$ 3,859</b>	<b>\$ 4,920</b>	<b>\$ 5,277</b>	<b>\$ 5,713</b>	<b>\$ 6,695</b>	<b>\$ 1,822</b>	<b>\$ 1,801</b>
Gross Profit %	19.6%	17.7%	19.0%	16.6%	18.0%	19.9%	21.7%
<b>SG&amp;A Expenses</b>							
Depreciation & Amortization	250	264	259	260	270	65	60
SG&A	1,606	1,848	1,906	2,148	2,411	915	569
<b>Total Operating Expense</b>	<b>\$ 1,856</b>	<b>\$ 2,112</b>	<b>\$ 2,165</b>	<b>\$ 2,408</b>	<b>\$ 2,681</b>	<b>\$ 980</b>	<b>\$ 629</b>
Operating Expenses %	9.4%	7.6%	7.8%	7.0%	7.2%	10.7%	7.6%
<b>Operating Profit</b>	<b>\$ 2,003</b>	<b>\$ 2,808</b>	<b>\$ 3,112</b>	<b>\$ 3,305</b>	<b>\$ 4,014</b>	<b>\$ 842</b>	<b>\$ 1,172</b>
Operating Profit %	10.2%	10.1%	11.2%	9.6%	10.8%	9.2%	14.1%
Other Income / (Expense)	-	-	(1)	(4)	33	21	21
<b>Net Income</b>	<b>\$ 2,003</b>	<b>\$ 2,808</b>	<b>\$ 3,111</b>	<b>\$ 3,301</b>	<b>\$ 4,047</b>	<b>\$ 863</b>	<b>\$ 1,193</b>
Net Income %	10.2%	10.1%	11.2%	9.6%	10.9%	9.4%	14.4%
<b>EBITDA</b>							
Operating Profit	2,003	2,808	3,112	3,305	4,014	842	1,172
Plus: Depr. & Amort.	250	264	259	260	270	65	60
Plus: Addback for Excess Owner's Comp	100	100	100	100	100	25	25
<b>Adjusted EBITDA</b>	<b>\$ 2,253</b>	<b>\$ 3,072</b>	<b>\$ 3,371</b>	<b>\$ 3,565</b>	<b>\$ 4,284</b>	<b>\$ 907</b>	<b>\$ 1,232</b>
EBITDA %	11.5%	11.0%	12.1%	10.4%	11.5%	9.9%	14.9%
<b>Capital Expenditures</b>	167	412	143	356	153		
CapEx as a % of Revenues	0.85%	1.48%	0.52%	1.04%	0.41%		

# Historical Balance Sheet

(\$'s in 000's)	Historical Balance Sheets - Reviewed					Internally Prepared	
	2015	2016	2017	2018	2019	3/31/19	3/31/20
<b>Current Assets</b>							
Cash & Cash Equivalents	1,465	1,600	1,885	1,852	1,167	5,930	6,855
Accounts Receivable	4,070	3,827	4,596	4,378	5,827	4,405	4,341
Unbilled Receivables	-	-	-	251	-	-	-
Inventory	-	-	-	-	-	-	-
Cost in Excess of Billings	288	309	729	715	1,616	1,381	2,188
Other Current Assets	38	85	101	39	66	97	66
<b>Total Current Assets</b>	<b>5,861</b>	<b>5,821</b>	<b>7,311</b>	<b>7,235</b>	<b>8,676</b>	<b>11,813</b>	<b>13,450</b>
PP&E	704	879	788	891	798	900	815
Other Non-Current Assets	2,217	3,236	2,892	2,764	5,875	49	114
<b>Total Assets</b>	<b>8,782</b>	<b>9,936</b>	<b>10,991</b>	<b>10,890</b>	<b>15,349</b>	<b>12,762</b>	<b>14,379</b>
<b>Current Liabilities</b>							
Line of Credit	-	-	-	4	7	-	-
CPLTD	-	-	-	-	115	-	-
Accounts Payable	2,451	2,672	4,419	3,286	4,557	3,842	3,424
Accrued Liabilities	32	40	49	91	531	245	15
Billing in Excess of Costs	1,545	2,313	1,229	1,967	2,094	2,486	1,657
Other Current Liabilities	-	-	-	-	-	(16)	(16)
<b>Total Current Liabilities</b>	<b>4,028</b>	<b>5,025</b>	<b>5,697</b>	<b>5,348</b>	<b>7,304</b>	<b>6,557</b>	<b>5,080</b>
Long-Term Debt	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>4,028</b>	<b>5,025</b>	<b>5,697</b>	<b>5,348</b>	<b>7,304</b>	<b>6,557</b>	<b>5,080</b>
<b>Shareholder's Equity</b>							
Retained Earnings / Member's Equity	4,770	4,902	5,150	5,513	8,045	8,562	9,584
Net Income (Less Shareholder Distributions)	(12)	(19)	(16)	-	-	(2,386)	(314)
Accumulated Comprehensive Income	(4)	28	160	29	-	29	29
<b>Total Equity</b>	<b>4,754</b>	<b>4,911</b>	<b>5,294</b>	<b>5,542</b>	<b>8,045</b>	<b>6,205</b>	<b>9,299</b>
<b>Total Liabilities &amp; Equity</b>	<b>8,782</b>	<b>9,936</b>	<b>10,991</b>	<b>10,890</b>	<b>15,349</b>	<b>12,762</b>	<b>14,379</b>
<i>Net Working Capital (cash-free, debt-free)</i>	<i>368</i>	<i>(804)</i>	<i>(271)</i>	<i>39</i>	<i>327</i>	<i>(674)</i>	<i>1,515</i>

# Management Forecast

Pro-Mark Services						
Management Forecast (\$'s in 000's)	Actual 2019	Est. 2020	Projections			
			2021	2022	2023	2024
<b>Revenues</b>	\$ 37,109	\$ 39,500	\$ 40,290	\$ 41,096	\$ 41,918	\$ 42,756
Revenue Growth %		6.4%	2.0%	2.0%	2.0%	2.0%
Total COGS	30,414	32,505	33,127	33,761	34,408	35,069
<b>Gross Profit</b>	\$ 6,695	\$ 6,995	\$ 7,163	\$ 7,335	\$ 7,510	\$ 7,687
Gross Profit %	18.0%	17.7%	17.8%	17.8%	17.9%	18.0%
<b>SG&amp;A Expenses</b>						
Depreciation & Amortization	270	260	260	260	260	260
SG&A	2,411	2,186	2,250	2,349	2,458	2,583
<b>Total Operating Expense</b>	\$ 2,681	\$ 2,446	\$ 2,510	\$ 2,609	\$ 2,718	\$ 2,843
Operating Expenses %	7.2%	6.2%	6.2%	6.3%	6.5%	6.6%
<b>Operating Profit</b>	\$ 4,014	\$ 4,549	\$ 4,653	\$ 4,726	\$ 4,792	\$ 4,844
Operating Profit %	10.8%	11.5%	11.5%	11.5%	11.4%	11.3%
Other Income / (Expense)	33	21	21	21	21	21
<b>Net Income</b>	\$ 4,047	\$ 4,570	\$ 4,674	\$ 4,747	\$ 4,813	\$ 4,865
Net Income %	10.9%	11.6%	11.6%	11.6%	11.5%	11.4%
<b>EBITDA</b>						
Operating Profit	4,014	4,549	4,653	4,726	4,792	4,844
Plus: Depr. & Amort.	270	260	260	260	260	260
Plus: Excess Owner's Comp	100	100	100	100	100	100
<b>Adj. EBITDA</b>	\$ 4,384	\$ 4,909	\$ 5,013	\$ 5,086	\$ 5,152	\$ 5,204
EBITDA %	11.8%	12.4%	12.4%	12.4%	12.3%	12.2%
<b>Capital Expenditures</b>	153	300	250	250	250	250
CapEx as a % of Revenues	0.41%	0.76%	0.62%	0.61%	0.60%	0.58%

## Forecasted Financial Information

Pro-Mark's 2020-2024 forecasted income statement was prepared by management. The projected financial information herein reflects accrual basis financial information.

### Key Facts and Assumptions:

- Prepared by the management team.
- Bottom-up approach in which the management team estimated revenue opportunities and current customer backlog and pipeline as well as top-down consideration using historical knowledge and expected and identified future opportunities.
- 2020 Results based on existing contracts in-house and matched to expected timing of contract kick-off.
- A single EBITDA adjustment for \$100k of Excess Owner's Comp that will not be incurred post closing.
- Revenue growth reflects a conservative forecast of both existing long-term contracts already won or qualified for and anticipated client development opportunities currently targeted by the Company.
- Gross profit anticipated to remain reasonably consistent with historical averages.
- Operating margin anticipated to increase slightly based on improvements and efficiencies in SG&A expenses
- Long-term leases with related party at market rent.
- Forecast is pre-transaction and does not reflect transaction expenses, interest expense on ESOP related debt or ESOP compensation expense.

# Backlog

The firm's current backlog, which ebbs and flows as client contracts are released, was \$24.3mm at March 31, 2020, with a projected profit of \$4.1mm. Pro-Mark only records actual engaged projects where they have agreed on a contract amount and that contract has been approved and "released" by the client. The Company does not include "won" contracts (either IDIQ's or MACC's) until individual Task Orders have been released under those master contracts. With over 120 individual contracts/projects, the Backlog report is not easily summarized or displayed in a format conducive to inclusion here, but it is available in the online Data Room.

For information on the potential revenue from won IDIQ contracts, please see the next slide – IDIQ-only Projections.

The tables below show Pro-Mark's Bid Backlog report from May 21, 2020.

## Pro-Mark Services, Inc.

### Bid Backlog

As of 5/21/20

	PM	Site Code	Location	Submitted Date	Solicitation Range	Pro-Mark Bid Price on Specific Task Order
Nellis MACC		NAFB	Las Vegas	8/29/19		\$ 2,403,305
Minot AFB - MACC		MAFB	MAFB	2/18/20		\$ 84,795
Front Range MACC				3/1/20		
Yellowstone Modulares		YNP	Wyoming	4/30/20		\$ 6,000,000
Grand Forks AFB - HVAC Fire Station	KP	GFAFB	Grand Forks	5/8/20	\$500-\$1M	\$ 876,303
GSA - Region 8 MACC	MG	GSA	Kansas	5/11/20	250k - 5m	\$ 712,882
PMR - Eagle Butte Womans Clinic	KP	PMR	Eagle Butte	5/13/20		\$ 833,302
PMR - Repair Quarters Unit	KP	PMR	Belcourt	5/14/20		\$ 129,184
Grand Forks AFB - AT Security Fence/Gate	KP	GFAFB	Grand Forks	5/15/20	100k - 250K	\$ 98,539
Minot AFB - HVAC 1133	DA	MAFB	Minot	5/21/20	1m - 5m	\$ 1,608,000
Offutt - Drives and Sidewalks B185	TK	Offutt	Omaha	5/21/20	25k - 100k	\$ 54,000
Offutt - Armory HVAC	TK	Offutt	Omaha	5/26/20	25k - 100k	
Offutt - North South Parking	TK	Offutt	Omaha	5/26/20	500k - 1m	
Offutt - South Boundry Fence	TK	Offutt	Omaha	5/26/20	25k - 100k	
Dyess Macc	KP	Dyess		5/29/20	1-5M	
GSA - Region 6	KB			5/29/20		
CBP - Siezure Vaults	CS	GSA	Pembina - Sweet Grass	5/29/20	500 - 1m	
Offutt - Repair Sanitary Manhole	TK	Offutt	Omaha	6/1/20	500k - 1m	
Offutt - Flight Simulator	TK	Offutt	Omaha	6/3/20	1-5m	
Offutt - Gates and Valves F627	TK	Offutt	Omaha	6/5/20	500k - 1m	
GSA - US Probation Office	KP	GSA	Grand Forks	6/5/20	500k - 1m	
Offutt - Pave Butler Blvd.	TK	Offutt	Omaha	6/8/20	1-5m	
Whiteman - MACC	KB	Kansas	Kansas City	6/10/20	1m - 5m	

Total Outstanding Bids on Individual Task Orders: \$ 12,800,311

# IDIQ-only Projections

The table below summarizes the existing IDIQ contracts that Pro-Mark has won (either as the sole contractor or as part of a group of bidders), as well as three NEW IDIQ's that Management believes will be released in 2023 – New Grand Forks, New Ellsworth and New Offut. Pro-Mark has not yet won any of these new IDIQ's. Of the total of \$167mm of potential contract revenue per the IDIQ schedule, \$44mm is attributable to new contracts and \$123mm is from existing “won” contracts where they will bid on individual Task Orders under these IDIQs. None of this potential revenue is captured on the Backlog Report.

Additionally, the Company has listed five Joint-Venture IDIQ's where they are working in conjunction with selected JV partners (typically a WBE, 8(a), or SDVOSB). On these contracts, the revenues are not reflected on Pro-Mark's books, only the profit is recorded, on a pro-rata basis based on ownership in the JV (typically 49%), as earned.

**Pro-Mark Services, Inc.**

Estimated Projections - IDIQ's Only	2021	2022	2023	2024	2025	5-Year Totals
GRAND FORKS AFB MATOC	\$ 6,000,000	\$ 5,000,000				\$ 11,000,000
New Grand Forks MATOC			\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 12,000,000
Ellsworth MACC - South Dakota	4,000,000					4,000,000
New Ellsworth MACC		2,000,000	2,000,000	2,000,000	2,000,000	8,000,000
Offutt MACC - Omaha	12,000,000	12,000,000				24,000,000
New Offutt MACC			8,000,000	8,000,000	8,000,000	24,000,000
Minot AFB - SABER - Single Award	1,500,000	1,500,000	1,500,000	1,500,000		6,000,000
GSA Region 8 Single Award	1,000,000	1,000,000	1,000,000	1,000,000		4,000,000
National Park Service - Single Award	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	25,000,000
IHS - IDIQ - Nationwide	1,000,000	1,000,000	1,000,000	1,000,000		4,000,000
MacDill AFB	2,000,000	3,000,000	4,000,000	5,000,000	6,000,000	20,000,000
Minot MACC	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	20,000,000
Misc IDIQ's Not listed above	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
<b>Totals</b>	<b>\$ 37,500,000</b>	<b>\$ 35,500,000</b>	<b>\$ 31,500,000</b>	<b>\$ 32,500,000</b>	<b>\$ 30,000,000</b>	<b>\$ 167,000,000</b>

**Joint Venture IDIQ's - Profit Only**

Ellsworth SABER  
Wright Patterson AFB - Midwest Region Roofing IDIQ  
CBP - Repairs and Maintenance  
FE Warren Protective Coatings  
Indian Health Service Multiple IDIQ for Great Plains Region



## IV. Appendix

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## Case Study - Minot AFB Ballistic Renovations

### **Project:**

- Demolishing and reconstructing the FCS (Flight Security Controller) Office, storage room and bathroom at each MAF (Missile Alert Facility). All personnel must be escorted and maintain visual line of site while any work is being performed due to high security requirements. Security coordination for all personnel and material inspections for the facility must be on point to avoid projects delays.

### **Summary Details:**

- Contract Amount: \$997,000
- Targeted Profit: 20%
- Type of contract: FFP (Firm Fixed Price)
- Time Frame: 365 Day performance period
- Direct Bid

### **Scope of Work**

The renovation consists of but not limited to:

• Ceramic tile flooring	• Solid surface countertop/base cabinets	• Plumbing fixtures
• Bullet resistant windows	• Bullet resistant doors/frames	• Bullet resistant wall panels
• Painting	• Electrical	• Radiant heating
• Suspended Ceilings	• Incidental related work	
• Utilizing approximately 7 sub contractors; Multiple subs proposed on project		

### **Pro-Mark's "angle" on the project and why they pursued it**

The Company currently has a strong presence on the Minot AFB and they have performed work at this missile field previously. the current SABER contractors as well. Pro-Mark will more than likely bid on any Government project bid in the Minot, ND vicinity given their experience in the area, reputation with the government clients and knowledge of the subcontractors available in the region. This particular project is somewhat unique for Pro-Mark given their ability to self-perform a number of the tasks. They also received relatively attractive pricing from subcontractors/suppliers.

## Case Study - MacDill AFB MACC (Tampa, FL)

### **Project:**

- The Multiple Award Construction Contract (MACC) is an Indefinite-Delivery, Indefinite-Quantity (IDIQ) contracting program that supplements the Air Force Civil Engineer's (CE) in-house capability to perform minor construction, facility repair, and maintenance projects on an as-needed basis for Real Property/Real Property Installed Equipment. This requirement is primarily concerned with repair/maintenance projects typically ranging from \$25,000 to \$5,000,000. The contractor shall provide all material, equipment, labor and general conditions to accomplish "non-complex" and/or design/build, maintenance, repair, and minor construction projects in an expeditious manner.

### **Summary Details:**

- Contract Amount: Min. \$500 – Max. \$500mm
- Targeted Profit: 8-20%; depending on Task Order
- Type of contract: 7-Year IDIQ with FFP on Task Orders
- Time Frame: Base Year with six 1-Year Options

### **Scope of Work**

The work depends on the nature of the specific Task Order, but may include and is not limited to:

• Carpentry	• New Construction	• Renovation
• HVAC Building Systems	• Fire Protection Systems	• Various Alarms and Controls
• Overhead and Underground Utilities	• Blast and Force Protection	• Site Work
• Site Work	• Barricading	• Traffic Control
• Plumbing	• Electrical	• Concrete Repair
• Roofing	• Welding	• Other Assorted Maintenance & Repair

### **Pro-Mark's "angle" on the project and why they pursued it**

This particular IDIQ was Proposal Based, and not solely based on pricing – providing the opportunity for attractive pricing. Also, the "Past Performance" requirements on this contract were very unique and stringent, which helped to limit the pool of competitors who qualified. Because of their past experiences and capabilities, Pro-Mark was able to meet these specific requirements.